

VERMONT PUBLIC POWER SUPPLY AUTHORITY

5195 Waterbury-Stowe Road • P.O. Box 298 • Waterbury Ctr., VT 05677-0298
(802) 244-7678 Fax (802) 244-6889 www.vppsa.com

October 7, 2009

Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street, Drawer 20
Montpelier, VT 05620-2701

re: Docket 7523
Implementation of Standard Offer Prices for
Sustainably Priced Energy Enterprise Development
("SPEED") Resources

and

Docket No. 7533
Establishment of Price for Standard Offer under the
Sustainably Priced Energy Enterprise Development
("SPEED") program

Dear Mrs. Hudson:

The Group of Municipal Electric Utilities,* Central Vermont Public Service Corporation and Green Mountain Power Corporation collectively submit the issues listed below for prospective discussion at tomorrow's workshop. We recognize that, in some instances, there may be a fine line between implementation and reconsideration issues, and that the latter may need to be addressed through the filing of an appropriate motion relative to the September 29th Order. To the extent that discussion of the issues listed below is deemed appropriate by Board staff, however, it is requested that they be addressed at the workshop.

1. *Relationship of utility projects to the queue.* The Board's order does not fully address issues pertaining to the relationship of utility projects to the queue. The order can be read as requiring that utility projects be placed in the queue if they are to be credited against the 50 MW ceiling, even though those projects are not eligible for the standard offer rates. This raises significant implementation issues, and potentially creates a situation where utilities may have little incentive to develop small renewable projects over the course of the next few years. This is a good topic for discussion at the workshop.
2. *Treatment of utility projects.* The Board's Order is very confusing with respect to the treatment to be afforded utility projects, and whether the costs and benefits of these projects will be shared between or among all retail electric utilities. Understanding how utility projects will be

October 7, 2009

treated is essential if utilities are to consider making investments in them (or to seek recognition under the program). To the extent that the utilities are required to make filings for queue positions on October 19th, it is essential that there be greater clarity surrounding the issues associated with the treatment of utility owned projects.

3. *Utility payment of facilitator fees.* If in fact utility projects are required to be placed in the queue, the Board will need to consider whether utilities are required to pay project-based facilitator fees or deposits relative to those projects. Utilities will already be paying significant components of the facilitator's fees and costs, and it appears inappropriate to require payment of development fees and deposits for utility projects. Additionally it is import to better define how the costs of the Facilitator will be assigned to utilities -- especially during the period prior to the commercialization of the projects proposed by developers that will participate in the program.
4. *Clarification as to payment for metering and metering equipment.* It is the utilities' understanding that the project developer is responsible for paying for the meter, any associated metering equipment (such as voltage transformers)(both as a contributions in aid of construction), and the communication means by which the meter will be read remotely. Confirmation of this understanding would be helpful.

Thank you for the opportunity to raise these issues.

Very truly yours,



David John Mullett

cc: service list

* Barton Village, Inc. Electric Department, Village of Enosburg Falls Water & Light Department, Town of Hardwick Electric Department, Village of Hyde Park, Inc. Electric Department, Village of Jacksonville Electric Company, Village of Johnson, Inc. Water & Light Department, Village of Ludlow Electric Light Department, Village of Lyndonville Electric Department, Village of Morrisville Water & Light Department; Northfield Electric Department, Village of Orleans, Inc. Electric Department, Town of Readsboro Electric Light Department, Swanton Village, Inc. Electric Department